nationwide

Nationwide Group

Pillar 3 Disclosures 2025

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Forward-looking statements

Certain statements in this document are forward-looking with respect to plans, goals and expectations relating to the future financial position, business performance and results of the Group. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, the Group can give no assurance that these expectations will prove to be an accurate reflection of actual results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Group including, amongst other things, UK domestic and global economic and business conditions, market-related risks such as fluctuation in interest rates and exchange rates, inflation/deflation, the impact of competition, changes in customer preferences, risks concerning borrower credit quality, delays in implementing proposals, the timing, impact and other uncertainties of future acquisitions or other combinations involving the Society and/or within relevant industries, risks relating to sustainability and climate change, the policies and actions of regulatory authorities and the impact of tax or other legislation and other regulations in the jurisdictions in which the Group operates. The economic outlook remains uncertain and, as a result, the Group's actual future financial condition, business performance and results may differ materially from the plans, goals and expectations expressed or implied in these forward-looking statements. Due to such risks and uncertainties, the Group cautions readers not to place undue reliance on such forward-looking statements.

The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

This document does not constitute, or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. No securities are being offered to the public by means of this document. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering to be made in the United States will be made by means of a prospectus that may be obtained from the Group and will contain detailed information about the Group and its management, as well as its financial statements.

Glossary

The glossary for the Annual Report and Accounts and Pillar 3 disclosures is available at nationwide.co.uk.

1 Executive Summary

1.1 Introduction

Nationwide Building Society holds a unique position in UK financial services. As the largest building society, the combination of our scale, mutual model and strong reputation enables us to prioritise customer experience and value, whilst having a positive impact on wider society and growing our business to bring the benefits of mutuality to more people.

As a mutual, our members do not just bank with Nationwide Building Society, they own us. Unlike our banking peers, we do not have to pay shareholders dividends. We retain sufficient profit to remain financially strong, while sharing our success with our members. Our acquisition of Virgin Money, which completed on 1 October 2024, has grown and diversified our business, and will enable us to deliver even greater value for our customers, bringing the benefits of mutuality to more people in the UK.

The Group's financial position remains strong, reflecting the underlying performance and the positive impact of the acquisition of Virgin Money. The pre-tax profit of £2.3 billion enables us to continue to deliver meaningful financial value to our members, including through member financial benefit and the Nationwide Fairer Share Payment.

The Group's Common Equity Tier 1 (CET1) and leverage ratios, which demonstrate our financial strength by measuring our ability to withstand economic shocks, were 19.1% and 5.2% at 31 March 2025 respectively, well above our minimum regulatory thresholds. By focusing on maintaining strong capital and liquidity through the economic cycle, we will be able to continue to provide competitive products and excellent service, and to support our customers.

Further detail about Nationwide can be found in the Annual Report and Accounts 2025 at nationwide.co.uk.

1.2 Scope, consolidation and reporting

Nationwide's structure

Terms used in this report	Definition
Nationwide/the Group	Nationwide Building Society and all consolidation subsidiaries, including the Virgin Money sub-group
Nationwide Building Society/the Society	Nationwide Building Society, parent entity of the Group
Nationwide sub-group	Nationwide Building Society and all consolidation subsidiaries, excluding the Virgin Money sub-group
Virgin Money sub-group/Virgin Money	Virgin Money UK PLC and its consolidated subsidiaries

Nationwide Building Society is regulated by the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) as recognised on the Bank of England's website and the Financial Services Register hosted on the FCA website. The UK Capital Requirements Directive V (CRD V) framework applies to Nationwide Building Society and its subsidiary undertakings (the 'Group'). On 1 October 2024, Nationwide Building Society acquired Virgin Money UK PLC, which has become part of the Group as a subsidiary.

All information in this disclosure relates to the 'Group' which is defined as Nationwide Building Society and all consolidated subsidiaries, including the Virgin Money sub-group. Further detail about Nationwide Building Society can be found in the Annual Report and Accounts 2025 at nationwide.co.uk. Pillar 3 disclosures in relation to the Nationwide and Virgin Money sub-group's can be found at nationwide.co.uk and virginmoneyukplc.com respectively.

Change of accounting reference date

Following the acquisition of Virgin Money UK PLC, the Society changed its accounting reference date to 31 March. The 2024 comparatives are presented as at 4 April 2024, and have not been restated to include the Virgin Money results prior to acquisition on 1 October 2024.

Basis and frequency of disclosure

The purpose of this disclosure is to provide information in relation to regulatory capital and liquidity requirements. The disclosures and basis of measurement are in accordance with the rules laid out in the PRA Rulebook (CRR). The disclosures may differ from similar information in the Annual Report and Accounts 2025 which is prepared in accordance with International Financial Reporting Standards ('IFRS'). Therefore, the information in these disclosures may not be directly comparable.

Unless otherwise stated, all figures and narrative are at 31 March 2025, the Group's financial year end, with comparative figures to the previous financial year-end at 4 April 2024 where relevant. Full Pillar 3 disclosures are published annually, and concurrently with the Annual Report and Accounts, in accordance with regulatory rules. Pillar 3 summary disclosures are published quarterly, with more extensive disclosures published semi-annually. The Pillar 3 disclosures have not been subject to external audit; however, regulatory capital resources have been audited as part of the Annual Report and Accounts 2025 disclosure process.

1.3 Summary of key metrics

The Group's capital position remains strong, with both the CET1 ratio at 19.1% (2024: 27.1%) and leverage ratio at 5.2% (2024: 6.5%) comfortably above regulatory capital requirements of 12.7% and 4.3% respectively.

The CET1 ratio has decreased to 19.1% (2024: 27.1%) primarily due to the acquisition of Virgin Money. CET1 capital resources increased by £0.8 billion due to profit after tax of £2.3 billion, partially offset by an increase in regulatory CET1 capital deductions of £1.4 billion following the Virgin Money acquisition. This increase in CET1 capital resources adds 1.5% to the CET1 ratio. Risk weighted assets (RWAs) increased by £27.2 billion, mainly driven by the inclusion of £27.7 billion of Virgin Money RWAs; the change in RWAs reduces the CET1 ratio by 9.5% in absolute terms.

The leverage ratio decreased to 5.2% (2024: 6.5%), primarily due to the Virgin Money acquisition as outlined above and increased Group residential mortgage balances. Leverage requirements continue to be the Group's binding Tier 1 capital constraint, as the combination of minimum and regulatory buffer requirements is in excess of the risk-based equivalent. Further detail on regulatory capital ratios, resources and risk weighted assets is included in Annex I (Key Metrics).

As part of the Bank Recovery and Resolution Directive, the Bank of England, in its capacity as the UK resolution authority, has published its policy for setting the minimum requirement for own funds and eligible liabilities (MREL). In line with the latest 2025 Bank of England MREL publication, the Group is required to hold twice the minimum capital requirements (equating to 6.5% of leverage exposure), plus the applicable capital requirement buffers, which amount to 1.05% of leverage exposure. This equals a total loss-absorbing requirement of 7.55%. At 31 March 2025, total MREL resources were 8.9% (2024: 9.4%) of leverage exposure, in excess of the loss-absorbing requirement of 7.55% (2024: 7.55%) described above.

The Group's Liquidity Coverage Ratio (LCR), which ensures sufficient high-quality liquid assets are held to survive a short-term severe but plausible liquidity stress, averaged 174% over the 12 months ended 31 March 2025 (4 April 2024: 191%). The Group's average Net Stable Funding Ratio (NSFR), which assesses the stability of funding relative to the liquidity of assets, was 147% for the four quarters ended 31 March 2025 (4 April 2024: 151%), which is in excess of the 100% minimum requirement. The Group continues to manage its liquidity against internal risk appetite which is more prudent than regulatory requirements.

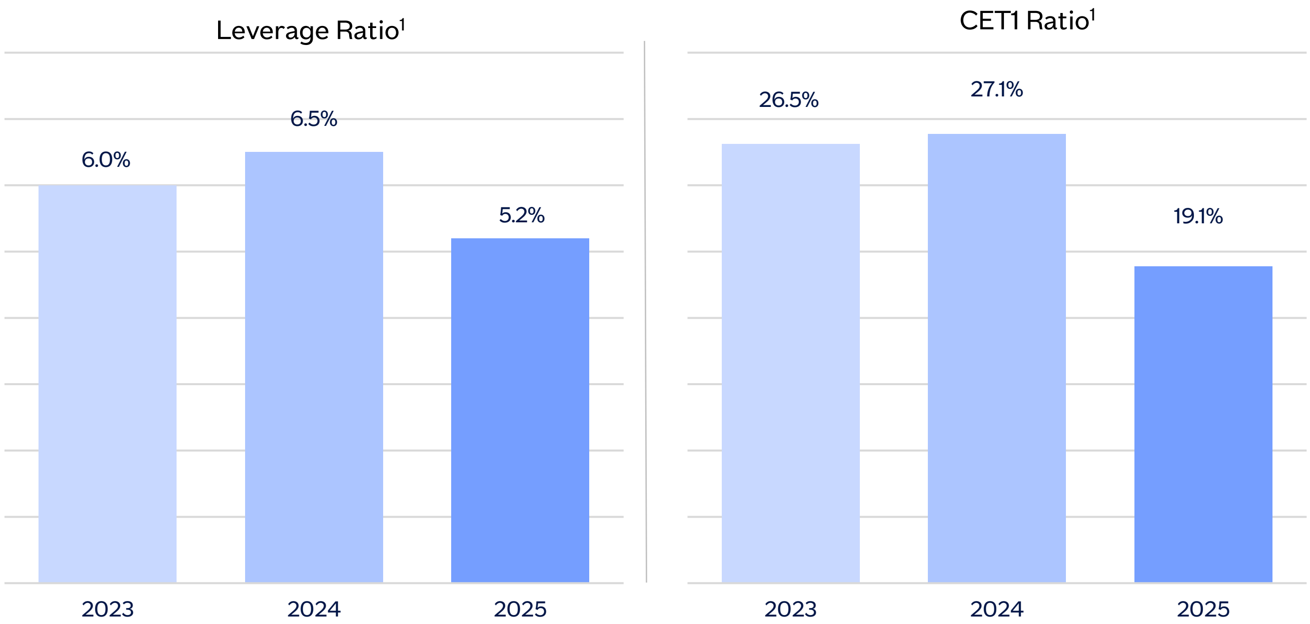
1.4 Future regulatory developments

The Basel Committee published its final reforms to the Basel III framework in December 2017, now denoted by the PRA as Basel 3.1. The amendments include changes to the standardised approaches for credit and operational risks, including the introduction of an RWA standardised output floor to restrict the use of internal models. On 12 September 2024, the Bank of England published its last instalment of near-final rules for implementation of Basel 3.1 with a revised implementation date of 1 January 2026, following the consultation paper released on 30 November 2022. Although materially similar to the original Basel reforms, the near-final rules include interpretations and some divergences from Basel standards in relation to market, counterparty credit, and operational risks as well as credit risk and the output floor. However, on 17 January 2025, the PRA announced the decision to delay the implementation of Basel 3.1 in the UK by one year until 1 January 2027.

The near-final rules include a phased introduction of the RWA standardised output floor until fully implemented by 2030. The day-one impact of Basel 3.1 on the Group's CET1 ratio is expected to be positive with a small increase in the CET1 ratio anticipated, based on the Group's initial interpretation of the near-final rules. This is primarily due to the impact of changes to prescribed IRB model calculations. The Basel 3.1 RWA standardised output floor is expected to bind for the Group's risk-based capital assessment towards the end of the implementation period. The exact impact of Basel 3.1 on the Group position, and the point where the output floor becomes binding, will be influenced by the Group's interpretation of the final rules and the evolution of the balance sheet.

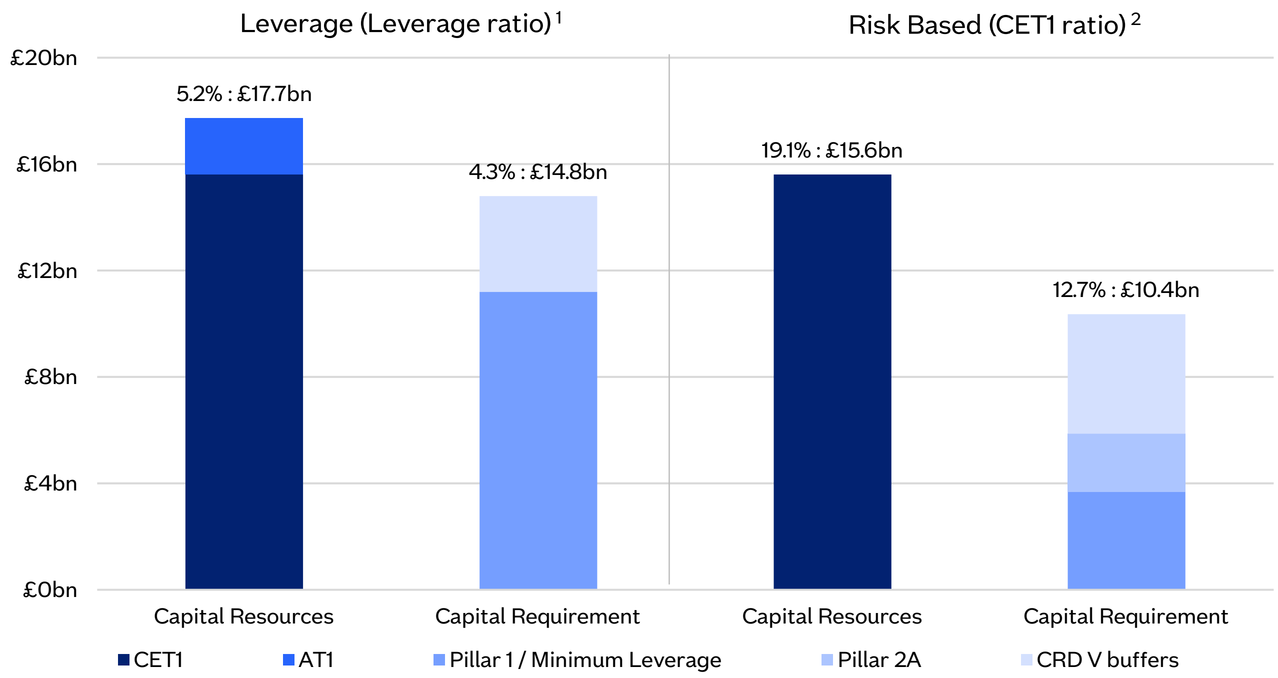
The PRA has granted a renewed 12-month general prior permission to repurchase Core Capital Deferred Shares (CCDS) up to 2% of existing CET1 capital resources (£312 million at 31 March 2025), though this does not mean further repurchase exercises will necessarily follow. The permission will expire in January 2026.

Chart 1: Capital Ratios



Note:
[1] Reduction in ratios in the period is primarily due to the acquisition of Virgin Money. See section 1.3 for further details

Chart 2: Capital resources and regulatory requirements (2025)



Notes:
[1] There is a requirement that at least 75% of the leverage requirements (including buffers) are met with CET1 capital
[2] Surplus to CET1 maximum distributable allowance (MDA) is equal to 5.6% (£4.6 billion) rather than the 6.4% (£5.2 billion) presented above. This is due to 0.8% (£0.6 billion) of unutilised Tier 2 capacity being met with CET1 resources

1.5 Risk appetite and reporting

The Board is responsible for setting the Group's risk appetite with respect to capital risk, credit risk, liquidity risk and interest rate risk in the banking book (IRRBB) which is articulated through its risk appetite statements. These are translated into specific Group risk metrics, which are monitored by the Board Risk Committee (BRC) and Group Risk Committee (GRC). Following the Virgin Money acquisition, capital is managed for the Nationwide and Virgin Money sub-groups through their respective Boards, BRCs, Assets and Liabilities Committees (ALCOs) and other internal management reviews.

The capital, liquidity and interest rate risk profile is managed to ensure that both risk appetite and minimum regulatory requirements are met, based on actual and forecast stressed performance, as well as meeting the expectations of key stakeholders and maintaining a robust financial position to protect our customers. Any planned changes to the balance sheet, regulatory developments and other factors (such as trading outlook) are considered when calibrating risk appetite and the capital and funding plans.

1.6 Stress testing

An assessment of potential vulnerabilities and available management actions is undertaken by considering a range of severe but plausible stressed scenarios by both Nationwide and Virgin Money sub-groups. These stress tests project capital resources and requirements over a multi-year horizon and cover a range of macroeconomic and idiosyncratic scenarios that test the most material risks to the individual sub-group business models. The combination of the sub-group stress testing scenarios supports the overall assessment of the Group's capital ratio resilience. The Group aims to maintain strong capital ratios in excess of regulatory minima under stressed conditions.

In 2023, the Bank of England confirmed it intended to run a desk-based stress test exercise in 2024, rather than an ACS (Annual Cyclical Scenario). The most recent Bank of England ACS (2022/23) tested the resilience of the UK banking system to deep simultaneous recessions in the UK and global economies, large falls in asset prices and higher global interest rates, as well as a separate stress of misconduct costs. The ACS was undertaken before Nationwide's acquisition of Virgin Money. Both firms independently participated in the stress test. The results were published by the Bank of England (bankofengland.co.uk) confirming that both Nationwide and Virgin Money remained above regulatory requirements and hurdle rates at the low point with CET1 ratios of 20.3% and 9.9% respectively, before strategic management actions against starting CET1 ratios of 24.6% and 14.8% respectively. The leverage ratio low point was 5.6% and 4.1% for Nationwide and Virgin Money respectively against starting leverage ratios of 5.6% and 4.0% respectively.

On 24 March 2025, the Bank of England released the 2025 Bank Capital Stress Test (BCST) which is the successor to the Bank of England's Concurrent Stress Test (CST), which included the Annual Cyclical Scenario. Nationwide is participating in BCST on a combined group basis, with results expected to be published by the Bank of England in Q4 2025.

1.7 Recovery planning and resolvability

The Group maintains a Group Recovery Plan under UK regulatory rules implementing the European Bank Recovery and Resolution Directive (BRRD). As a material subsidiary, Virgin Money also maintains a Recovery Plan which would work alongside the Group Plan in the event of a stress. The plans contain a set of management actions that would be available to support the Group's capital and liquidity position in the event of a breach of one or more of the Group's internal risk appetite metrics.

The Group submitted its initial Group Recovery Plan to the PRA in March 2025, and will continue to do so typically on a two-year cycle or as requested by the PRA, with the next scheduled submission due in June 2027. Prior to submission of the initial Group Recovery Plan, in October 2023, Nationwide and Virgin Money sub-groups independently submitted their individual resolvability self-assessments to the Bank of England. These assessments document the capabilities that are designed to achieve the resolvability outcomes as prescribed within the Bank of England's Resolvability Assessment Framework, and included enhancements and developments since the previous self-assessment submissions in October 2021.

In March 2025, the Group submitted a Group interim resolvability self-assessment to the Bank of England summarising the capabilities across the Group and developments to capabilities as a result of the Virgin Money acquisition. A summary of the Nationwide sub-group's approach to resolvability is available within the Resolvability Assessment Framework Disclosure at nationwide.co.uk and Virgin Money sub-group's Resolution Disclosure at virginmoneyukplc.com. The next self-assessment submission is expected to be made in October 2026, with disclosures to follow in June 2027, and will describe how the resolvability outcomes are achieved for the Group.

1.8 Climate risk

There is no specific regulatory requirement to include information on climate risk within the Pillar 3 disclosure, however details can be found within the Climate-related Financial Disclosures 2025 at nationwide.co.uk.

1.9 Policy, verification and sign off

Nationwide's Pillar 3 document has been verified and approved through internal governance procedures in line with Nationwide's Pillar 3 Disclosure Standard. The Pillar 3 Disclosure Standard requires that:

- capital data is produced in compliance with the Group's internal capital control frameworks, which provides assurance over its accuracy, integrity and completeness;
- data outside of the Group's internal capital control frameworks is subject to appropriate senior review and approval;
- appropriate reconciliations are performed on the disclosures;
- narrative content is subject to appropriate senior review and approval;
- compliance with regulatory requirements, as set out in the Disclosure (CRR) section of the PRA rulebook, is documented and met; and
- risk-based review activities are performed across the Three Lines of Defence, to provide assurance over the disclosures.

"We attest that, to the best of our knowledge, Nationwide's Pillar 3 disclosures have been prepared in accordance with Nationwide's Pillar 3 Disclosure Standard and the internal controls framework described within it."

Muir Mathieson	Gavin Smyth
Chief Financial Officer	Chief Risk Officer

2 Annex I | Key metrics and overview of risk-weighted exposure amounts

2.1 UK KM1 - Key metrics template

UK KM1 - Key metrics template		a	b	c	d	e
£m		**31 Mar 25**	31 Dec 24	30 Sep 24	30 Jun 24	04 Apr 24
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	**15,611**	15,727	15,087	14,800	14,798
2	Tier 1 capital	**17,732**	17,845	17,170	16,136	16,134
3	Total capital	**19,489**	19,639	18,323	17,334	17,808
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**81,871**	80,801	53,067	55,137	54,628
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	**19.1**	19.5	28.4	26.8	27.1
6	Tier 1 ratio (%)	**21.7**	22.1	32.4	29.3	29.5
7	Total capital ratio (%)	**23.8**	24.3	34.5	31.4	32.6
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	**2.7**	2.7	2.8	2.9	2.9
UK 7b	Additional AT1 SREP requirements (%)	**0.9**	0.9	0.9	1.0	1.0
UK 7c	Additional T2 SREP requirements (%)	**1.2**	1.2	1.2	1.3	1.2
UK 7d	Total SREP own funds requirements (%)	**12.7**	12.7	12.9	13.1	13.1
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	**2.5**	2.5	2.5	2.5	2.5
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**–**	–	–	–	–
9	Institution specific countercyclical capital buffer (%)	**2.0**	2.0	2.0	2.0	2.0
UK 9a	Systemic risk buffer (%)	**–**	–	–	–	–
10	Global Systemically Important Institution buffer (%)	**–**	–	–	–	–
UK 10a	Other Systemically Important Institution buffer	**1.0**	1.0	1.0	1.0	1.0
11	Combined buffer requirement (%)	**5.5**	5.5	5.5	5.5	5.5
UK 11a	Overall capital requirements (%)	**18.2**	18.2	18.4	18.6	18.6
12	CET1 available after meeting the total SREP own funds requirements (%)	**11.1**	11.6	21.1	18.3	19.5
	Leverage ratio					
13	Total exposure measure excluding claims on central banks	**344,018**	344,331	255,315	261,947	249,263
14	Leverage ratio excluding claims on central banks (%)	**5.2**	5.2	6.7	6.2	6.5
	Additional leverage ratio disclosure requirements					
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.2**	5.2	6.7	6.2	6.5
14b	Leverage ratio including claims on central banks (%)	**4.8**	4.7	6.0	5.6	5.9
14c	Average leverage ratio excluding claims on central banks (%)	**5.1**	5.0	6.3	6.3	6.3
14d	Average leverage ratio including claims on central banks (%)	**4.7**	4.6	5.7	5.7	5.6
14e	Countercyclical leverage ratio buffer (%)	**0.7**	0.7	0.7	0.7	0.7
	Liquidity Coverage Ratio[1]					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	**54,509**	53,741	53,539	54,361	56,061
UK 16a	Cash outflows - Total weighted value	**33,907**	32,675	31,187	30,591	31,514
UK 16b	Cash inflows - Total weighted value	**2,358**	2,259	2,218	2,170	1,987
16	Total net cash outflows (adjusted value)	**31,549**	30,416	28,969	28,421	29,527
17	Liquidity coverage ratio (%)	**174**	179	186	192	191
	Net Stable Funding Ratio[1]					
18	Total available stable funding	**284,316**	263,916	246,175	245,427	245,157
19	Total required stable funding	**194,273**	177,646	162,712	161,795	162,366
20	NSFR ratio (%)	**147**	149	151	152	151

Note:
[1] The Liquidity Coverage and Net Stable Funding Ratios are calculated as a simple average of twelve-month end and four quarter end observations respectively

2.2 UK KM2 - Key metrics template – MREL

UK KM2 - Key metrics template - MREL (at resolution group level)

£m		a	b	c	d	e
		31 Mar 25	31 Dec 24	30 Sep 24	30 Jun 24	04 Apr 24
1	Total own funds and eligible liabilities available	**30,733**	29,291	24,910	23,115	23,511
2	Total risk weighted assets	**81,871**	80,801	53,067	55,137	54,628
3	Total own funds and eligible liabilities available as a percentage of total risk weighted assets (%)	**37.5**	36.3	46.9	41.9	43.0
4	UK leverage exposure ratio measure	**344,018**	344,331	255,315	261,947	249,263
5	Total own funds and eligible liablities available as a percentage of UK leverage exposure ratio measure (%)	**8.9**	8.5	9.8	8.8	9.4

2.3 UK OV1 - Overview of risk weighted exposure amounts[1]

UK OV1 – Overview of risk weighted exposure amounts

		a	b	c
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
£m		31 Mar 25	04 Apr 24	31 Mar 25
1	**Credit risk (excluding CCR)**	**71,094**	47,169	**5,688**
2	Of which the standardised approach	**10,793**	3,742	**863**
3	Of which the foundation IRB (FIRB) approach	**11,377**	3,327	**910**
4	Of which slotting approach	**1,003**	473	**80**
UK 4a	Of which equities under the simple riskweighted approach	**234**	233	**19**
5	Of which the advanced IRB (AIRB) approach	**47,687**	39,394	**3,816**
6	**Counterparty credit risk - CCR**	**801**	777	**64**
7	Of which the standardised approach	**299**	273	**24**
8	Of which internal model method (IMM)	**–**	–	**–**
UK 8a	Of which exposures to a CCP	**163**	137	**13**
UK 8b	Of which credit valuation adjustment - CVA	**338**	362	**27**
9	Of which other CCR	**1**	5	**–**
15	**Settlement risk**	**–**	–	**–**
16	**Securitisation exposures in the non-trading book (after the cap)**	**164**	184	**13**
17	Of which SEC-IRBA approach	**–**	–	**–**
18	Of which SEC-ERBA (including IAA)	**164**	184	**13**
19	Of which SEC-SA approach	**–**	–	**–**
UK 19a	Of which 1250%/ deduction	**–**	–	**–**
20	**Position, foreign exchange and commodities risks (Market risk)[2]**	**–**	–	**–**
21	Of which the standardised approach	**–**	–	**–**
22	Of which IMA	**–**	–	**–**
UK 22a	**Large exposures**	**–**	–	**–**
23	**Operational risk**	**9,812**	6,498	**785**
UK 23a	Of which basic indicator approach	**–**	–	**–**
UK 23b	Of which standardised approach	**9,812**	6,498	**785**
UK 23c	Of which advanced measurement approach	**–**	–	**–**
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	**867**	293	**69**
29	**Total**	**81,871**	54,628	**6,550**

Notes:
[1] Specific rows of this table have not been presented as they are not applicable in the UK
[2] The Group's Pillar 1 capital requirement for market risk is currently zero (as Nationwide does not have a trading book and FX exposures are below the threshold of 2% of total own funds capital requirements) and hence no figures are disclosed

3 Annex VII | Own funds

3.1 UK CC1 - Composition of regulatory own funds

UK CC1 - Composition of regulatory own funds[8]

£m		a 31 Mar 25 Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	a 04 Apr 24 Amounts
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	**1,334**	(d)[1]	1,334
	of which: core capital deferred shares (CCDS)	**1,334**	(d)[1]	1,334
2	Retained earnings	**15,060**	(f)[2]	13,990
3	**Accumulated other comprehensive income (and other reserves)**	**(321)**	(f), (g), (h), (i), (j)[3]	(97)
UK-3a	Funds for general banking risk	**–**		–
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	**–**		–
5	Minority interests (amount allowed in consolidated CET1)	**–**		–
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	**2,251**	(f)[4]	1,237
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**18,324**		16,464
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	**(82)**		(73)
8	Intangible assets (net of related tax liability) (negative amount)	**(1,238)**	(a)[5]	(824)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	**(217)**		–
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	**(79)**		(76)
12	Negative amounts resulting from the calculation of expected loss amounts	**(247)**		(51)
13	Any increase in equity that results from securitised assets (negative amount)	**–**		–
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	**–**		–
15	Defined-benefit pension fund assets (negative amount)	**(669)**	(b)[5]	(454)
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	**(177)**	(d)[1]	(177)
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	**–**		–
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	**–**		–
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	**–**		–
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	**–**		–
UK-20b	of which: qualifying holdings outside the financial sector (negative amount)	**–**		–
UK-20c	of which: securitisation positions (negative amount)	**–**		–
UK-20d	of which: free deliveries (negative amount)	**–**		–

UK CC1 - Composition of regulatory own funds (cont.)

£m		a 31 Mar 25 Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	a 04 Apr 24 Amounts
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	**–**		–
22	Amount exceeding the 17,65% threshold (negative amount)	**–**		–
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	**–**		–
25	of which: deferred tax assets arising from temporary differences	**–**		–
UK-25a	Losses for the current financial year (negative amount)	**–**		–
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	**–**		–
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	**–**		–
27a	Other regulatory adjustments to CET1 capital *(including IFRS 9 transitional adjustments when relevant)*	**(4)**		(11)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(2,713)**		(1,666)
29	**Common Equity Tier 1 (CET1) capital**	**15,611**		14,798
	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	**1,485**	(e)	1,336
31	of which: classified as equity under applicable accounting standards	**1,485**	(e)	1,336
32	of which: classified as liabilities under applicable accounting standards	**–**		–
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	**–**		–
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	**–**		–
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	**–**		–
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	**636**	(k)[6]	–
35	of which: instruments issued by subsidiaries subject to phase out	**–**		–
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**2,121**		1,336
	Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	**–**		–
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	**–**		–
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	**–**		–
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	**–**		–
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	**–**		–
42a	Other regulatory adjustments to AT1 capital	**–**		–
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**–**		–
44	**Additional Tier 1 (AT1) capital**	**2,121**		1,336
45	**Tier 1 capital (T1 = CET1 + AT1)**	**17,732**		16,134

UK CC1 - Composition of regulatory own funds (cont.)

£m		a 31 Mar 25 **Amounts**	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	a 04 Apr 24 Amounts
	Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	**1,076**	(c)[7]	1,650
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	**–**		–
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	**–**		–
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	**–**		–
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	**681**	(c)[7]	–
49	of which: instruments issued by subsidiaries subject to phase out	**–**		–
50	Credit risk adjustments	**–**		24
51	**Tier 2 (T2) capital before regulatory adjustments**	**1,757**		1,674
	Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	**–**		–
53	Direct, indirect and synthetic goldings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	**–**		–
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	**–**		–
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	**–**		–
UK-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	**–**		–
UK-56b	Other regulatory adjustments to T2 capital	**–**		–
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**–**		–
58	**Tier 2 (T2) capital**	**1,757**		1,674
59	**Total capital (TC = T1 + T2)**	**19,489**		17,808
60	**Total Risk exposure amount**	**81,871**		54,628
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	**19.1**		27.1
62	Tier 1 (as a percentage of total risk exposure amount)	**21.7**		29.5
63	Total capital (as a percentage of total risk exposure amount)	**23.8**		32.6
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	**12.7**		12.9
65	of which: capital conservation buffer requirement	**2.5**		2.5
66	of which: countercyclical buffer requirement	**2.0**		2.0
67	of which: systemic risk buffer requirement	**–**		–
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	**1.0**		1.0
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	**11.1**		19.5

UK CC1 - Composition of regulatory own funds (cont.)

£m		a 31 Mar 25 Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	a 04 Apr 24 Amounts
	Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	**–**		–
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	**–**		–
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**347**		117
	Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	**–**		–
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	**126**		44
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	**–**		24
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	**363**		262
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	**–**		–
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	**–**		–
82	Current cap on AT1 instruments subject to phase out arrangements	**–**		–
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	**–**		–
84	Current cap on T2 instruments subject to phase out arrangements	**–**		–
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	**–**		–

Notes:
[1] The CCDS amount does not include deductions for repurchase exercises. This is presented separately as a regulatory adjustment in line with UK Capital Requirements Regulation (CRR) article 42 (row 16)
[2] Retained earnings correspond to the general reserves on the balance sheet, excluding defined-benefit pension fund surplus and profits for the year, as these amounts are presented in other rows
[3] Accumulated other comprehensive income and other reserves comprises the revaluation reserve, cash flow hedge reserve, other hedging reserve, the FVOCI reserve, and other comprehensive income amounts included in the general reserves specifically the defined-benefit pension fund surplus
[4] Profits are included within the general reserves, but the amount presented excludes any foreseeable dividends or charges
[5] The intangible assets and defined-benefit pension fund asset values relate to the intangible assets and retirement benefit assets on the balance sheet respectively, net of related tax liability where the conditions in CRR article 38 (3) are met
[6] Minority interest haircuts are applied to Virgin Money's externally issued Additional Tier 1 capital instruments in line with CRR article 85
[7] Subordinated debt includes fair value adjustments relating to changes in market interest rates, adjustments for unamortised premiums and discounts that are included in the consolidated balance sheet, and any amortisation of the capital value of Tier 2 instruments required by regulatory rules for instruments with fewer than five years to maturity. In addition, minority interest haircuts are applied to Virgin Money's externally issued subordinated debt in line with CRR article 87
[8] Certain rows of this table have not been presented as they are not applicable in the UK

3.2 UK CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

UK CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements - 31 Mar 2025

£m		a Balance sheet as in published financial statements As at period end	b Under regulatory scope of consolidation As at period end[1]	c Reference
	Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1	Cash	29,483	29,483	
2	Loans and advances to banks and similar institutions	1,810	1,810	
3	Investment securities	28,663	28,663	
4	Derivative financial instruments	4,742	4,742	
5	Fair value adjustment for portfolio hedged risk	(2,037)	(2,037)	
6	Loans and advances to customers	300,889	300,894	
7	Investments in Group undertakings	–	–	
8	Intangible assets	1,481	1,481	(a)
9	Property, plant and equipment	796	796	
10	Accrued income and expenses prepaid	394	394	
11	Deferred tax	278	278	
12	Current tax	262	262	
13	Other assets	224	224	
14	Retirement benefit assets	892	892	(b)
15	**Total assets**	367,877	367,882	
	Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
1	Shares	207,428	207,428	
2	Deposits from banks and similar institutions	6,053	6,053	
3	Other deposits	74,667	74,661	
4	Fair value adjustment for portfolio hedged risk	27	27	
5	Debt securities in issue	51,109	51,109	
6	Derivative financial instruments	1,547	1,547	
7	Other liabilities	2,432	2,434	
8	Provisions for liabilities and charges	70	70	
9	Accruals and deferred income	1,223	1,223	
10	Subordinated liabilities	2,444	2,444	(c)
11	Subscribed capital	129	129	
12	Deferred tax	266	266	
13	Current tax liabilities	–	–	
14	**Total liabilities**	347,395	347,391	
	Shareholders' equity			
1	Core capital deferred shares	1,157	1,157	(d)
2	Other equity instruments	1,485	1,485	(e)
3	General reserve	17,086	17,095	(f)
4	Revaluation reserve	35	35	(g)
5	Cash flow hedge reserve	132	132	(h)
6	Other hedging reserve	(53)	(53)	(i)
7	Fair value through other comprehensive income reserve	(119)	(119)	(j)
8	Non-controlling interests	759	759	(k)
9	**Total shareholders' equity**	20,482	20,491	

Note:
[1] The Group applies a proportional consolidation approach to the Salary Finance Loans Limited joint venture, a subsidiary of Virgin Money, which is accounted for in the consolidated financial statements using the equity method

4 Annex XI | Leverage ratio

4.1 UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures			
		a	b
£m		**31 Mar 25**	04 Apr 24
1	**Total assets as per published financial statements**	**367,877**	271,917
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	**5**	–
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	**–**	–
4	(Adjustment for exemption of exposures to central banks)	**(26,186)**	(23,678)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	**–**	–
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	**–**	–
7	Adjustment for eligible cash pooling transactions	**–**	–
8	Adjustment for derivative financial instruments	**(2,701)**	(4,860)
9	Adjustment for securities financing transactions (SFTs)	**300**	2,715
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**7,849**	4,866
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	**(82)**	(73)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**–**	–
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	**–**	–
12	Other adjustments	**(3,044)**	(1,624)
13	**Total exposure measure**	**344,018**	249,263

4.2 UK LR2 - LRCom: Leverage ratio common disclosure

UK LR2 - LRCom: Leverage ratio common disclosure			
		a	b
		Leverage ratio exposures	
£m		**31 Mar 25**	04 Apr 24
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**363,319**	266,269
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	**–**	–
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	**(596)**	(686)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	**–**	–
5	(General credit risk adjustments to on-balance sheet items)	**–**	–
6	(Asset amounts deducted in determining tier 1 capital (leverage))	**(2,709)**	(1,654)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**360,014**	263,929
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**231**	52
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	**–**	–
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	**1,810**	1,378
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	**–**	–
UK-9b	Exposure determined under the original exposure method	**–**	–
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	**–**	–
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	**–**	–
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	**–**	–
11	Adjusted effective notional amount of written credit derivatives	**–**	–
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**–**	–
13	**Total derivatives exposures**	**2,041**	1,430
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**–**	–
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**–**	–
16	Counterparty credit risk exposure for SFT assets	**300**	2,715
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	**–**	–
17	Agent transaction exposures	**–**	–
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	**–**	–
18	**Total securities financing transaction exposures**	**300**	2,715
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	**42,802**	23,766
20	(Adjustments for conversion to credit equivalent amounts)	**(34,953)**	(18,900)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated associated with off-balance sheet exposures)	**–**	–
22	**Off-balance sheet exposures**	**7,849**	4,866
	Excluded exposures		
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**–**	–
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off-balance sheet))	**–**	–
UK-22g	(Excluded excess collateral deposited at triparty agents)	**–**	–
UK-22k	**(Total exempted exposures)**	**–**	–
	Capital and total exposure measure		
23	**Tier 1 capital (leverage)**	**17,732**	16,134
24	Total exposure measure including claims on central banks	**370,204**	272,941
UK-24a	(-) Claims on central banks excluded	**(26,186)**	(23,678)
UK-24b	**Total exposure measure excluding claims on central banks**	**344,018**	249,263

UK LR2 - LRCom: Leverage ratio common disclosure (cont.)			
		a	b
		Leverage ratio exposures	
£m		**31 Mar 25**	04 Apr 24
	Leverage ratio		
25	Leverage ratio excluding claims on central banks (%)	**5.2**	6.5
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.2**	6.5
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	**5.2**	6.5
UK-25c	Leverage ratio including claims on central banks (%)	**4.8**	5.9
26	Regulatory minimum leverage ratio requirement (%)	**3.25**	3.25
	Additional leverage ratio disclosure requirements - leverage ratio buffers		
27	Leverage ratio buffer (%)	**1.05**	1.05
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	**0.35**	0.35
UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.70**	0.70
	Additional leverage ratio disclosure requirements - disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	**–**	–
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	**–**	–
UK-31	Average total exposure measure including claims on central banks	**376,710**	285,275
UK-32	Average total exposure measure excluding claims on central banks	**348,644**	252,272
UK-33	Average leverage ratio including claims on central banks	**4.7**	5.6
UK-34	Average leverage ratio excluding claims on central banks	**5.1**	6.3

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